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1956 OUTLOOK ISSUE
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The FATS and OILS SITUATION

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Approved by the Outlook and Situation Board, November 23, 1955

SUMMARY

Supplies of food fats in 1955-56 will be at least as large as last year's record level. Beginning stocks were smaller but output will be greater. Since the supply is far in excess of probable domestic use, exports will have to be as large as the huge quantity, 2.4 billion pounds, shipped out last year if an increase in stocks is not to take place. This is likely to occur as other countries will need large amounts of our fats, the dollar position of many importing countries has improved, and U. S. Government programs will enable some of them to purchase substantial quantities with their own currency. Prices of many food fats will average less than last year, mainly because of larger production, and lower support prices for oilseeds.

Supplies of all oilseeds and peanuts are plentiful and prices are likely to average near support levels, which, except for peanuts, are lower than a year ago.

The 1955 soybean crop is estimated at 372 million bushels, 29 million more than last year. Crushings, exports and carryover stocks will rise to new highs.

Continued on page 3

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

Table 1.- Wholesale prices per pound for fats, oils, and glycerin at specified markets

Item	October 1953	October 1954	1955 August	1955 September	1955 October
	Cents	Cents	Cents	Cents	Cents
Babaesu oil, tanks, New York	---	---	15.2	15.2	15.2
Butter, creamery, Grade A (92-score) bulk, New York	68.2	60.9	58.3	59.3	58.6
Butter, creamery, Grade B, (90-score) bulk, Chicago	64.6	57.8	55.3	57.8	57.4
Castor oil, dehydrated, tanks, New York	25.3	21.6	20.1	20.1	20.8
Castor oil, No. 1, tanks, f.o.b. New Jersey mills	20.2	17.0	15.5	15.5	16.2
Castor oil, No. 3, technical, drums, carlots, f.o.b. N.Y.	21.0	17.8	14.8	14.8	15.5
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mill 1/	19.2	15.7	13.6	14.0	14.2
Coconut oil, crude, tanks, Atlantic ports (tax included)	20.6	16.5	14.5	15.1	15.5
Coconut oil, Cochin type, refined, drums, N.Y. (tax included)	24.0	20.4	19.2	18.5	19.5
Cod oil, Newfoundland, drums, New York	9.5	9.4	11.0	11.0	11.0
Codliver oil, medicinal, U.S.P., barrels, New York	20.2	19.5	19.5	19.5	19.5
Corn oil, crude, tank cars, f.o.b. Midwest mills	14.1	13.4	12.6	11.6	12.1
Corn oil, refined, drums, New York	20.6	20.6	20.4	19.3	19.2
Cottonseed oil, crude, tank cars, f.o.b. S.E. mills	13.5	12.8	12.4	11.4	11.3
Cottonseed oil, p.s.y., bleachable, tank cars, New York 2/	15.8	14.8	14.1	13.4	13.5
Cottonseed-oil foots, raw (50 percent T.F.A) delivered East	.8	1.6	1.7	1.7	1.9
Cottonseed oil, refined, drums, New York	20.3	20.5	19.9	19.2	19.1
Degras, common, barrels, New York	12.6	10.0	10.0	10.0	11.0
Glycerin, soaplye, basis 80 percent, tanks, New York	20.2	21.0	21.0	20.0	20.0
Grease, A white, tank cars, f.o.b. Chicago	6.2	6.6	7.1	7.4	7.8
Grease, yellow, tank cars, f.o.b. Chicago	3.4	5.8	6.5	6.7	7.1
Lard, loose, tank cars, Chicago	15.8	14.2	9.9	10.2	10.7
Lard, prime steam, tierces, Chicago	17.2	16.5	10.9	10.5	11.8
Lard, refined, 1-pound cartons, Chicago	20.5	19.2	14.1	14.6	15.3
Linseed oil, raw, tank cars, Minneapolis	16.0	14.5	13.5	13.6	13.0
Linseed oil, raw, drums, carlots, New York	18.7	17.2	16.4	16.5	16.0
Margarine, white, domestic vegetable, Chicago	27.0	25.5	26.0	26.0	26.0
Menhaden oil, light pressed, tanks, New York	11.0	10.6	10.0	10.1	10.6
Neat's-foot oil, 30°, drums, carlots, New York	30.0	30.0	30.0	30.0	30.0
Oiticica oil, drums, f.o.b. New York	20.4	16.5	15.2	15.1	14.8
Oleo oil, extra, drums, New York	18.9	19.5	14.8	14.9	14.8
Oleostearine, barrels, New York	13.2	13.5	10.6	10.8	11.6
Olive oil, imported, edible, drums, New York	34.4	30.4	31.3	32.0	32.0
Olive oil foots, domestic, drums, carlots, New York	---	---	---	---	---
Palm oil, Congo, drums, f.o.b. New York 3/	12.2	12.4	13.0	13.0	13.0
Peanut oil, crude, tank cars, f.o.b. S.E. mills	20.6	21.1	17.6	17.4	17.5
Peanut oil, refined, drums, New York	28.7	28.3	24.7	24.1	24.2
Rapeseed oil, refined (denatured), tanks, New York	16.7	17.2	16.0	15.8	15.8
Sardine oil, crude, tanks, Pacific Coast	---	---	9.0	9.0	8.8
Sesame oil, refined, drums, New York	36.0	36.0	36.0	36.0	36.0
Soybean oil, crude, tank cars, f.o.b. Midwest mills	13.3	12.1	11.3	10.6	10.9
Soybean oil, refined, drums, New York	18.5	19.3	18.3	17.4	17.3
Shortening, containing animal fat, 1-pound cartons, Chicago	25.6	28.5	26.2	26.0	26.8
Shortening, cottonseed, hydrogenated, 10-drum lots, New York	22.0	23.3	21.6	20.2	19.8
Sperm oil, natural, 45°, drums, New York	12.8	15.0	16.2	16.2	16.5
Tall oil, refined, tanks, works	5.0	5.0	5.2	5.2	5.2
Tallow, edible, loose, Chicago	11.0	11.6	8.6	8.6	9.5
Tallow, inedible, packers' prime, tank cars, f.o.b. Chicago	4.5	6.7	7.2	7.4	7.9
Tallow, No. 1, inedible, Chicago	3.6	6.1	6.5	6.7	7.2
Tung oil, imported, drums, carlots, f.o.b. New York	27.3	23.5	27.7	27.1	26.8
Tung oil, tanks, New York	25.7	22.0	26.3	25.6	25.2

1/ Three-cent processing tax added to prices as originally quoted.
2/ Near-by futures.
3/ Tax excluded. Tax does not apply to palm oil used in the manufacture of iron or steel products, tin and terne plate. Since 1943 these are the major uses of palm oil.

Prices compiled from Oil, Paint, and Drug Reporter; The National Provisioner; The Journal of Commerce (New York); Wall Street Journal, Chicago edition; reports of Bureau of Labor Statistics, and reports of Commodity Stabilization Service. Excise taxes and duties included where applicable.

CONTENTS

	Page		Page
Summary	1	Imports	20
Outlook		Cottonseed	20
Oil prices	6	Soybeans	23
Oilseed meals	8	Peanuts	28
Production	8	Flaxseed	31
Domestic use	13	Other oil crops	36
Exports	15		

Continued from cover page -

Cottonseed output is placed at 6,119 thousand tons, 7 percent more than a year ago. Although cotton acreage was cut sharply, due primarily to a reduction in the national allotment, yields were the highest of record.

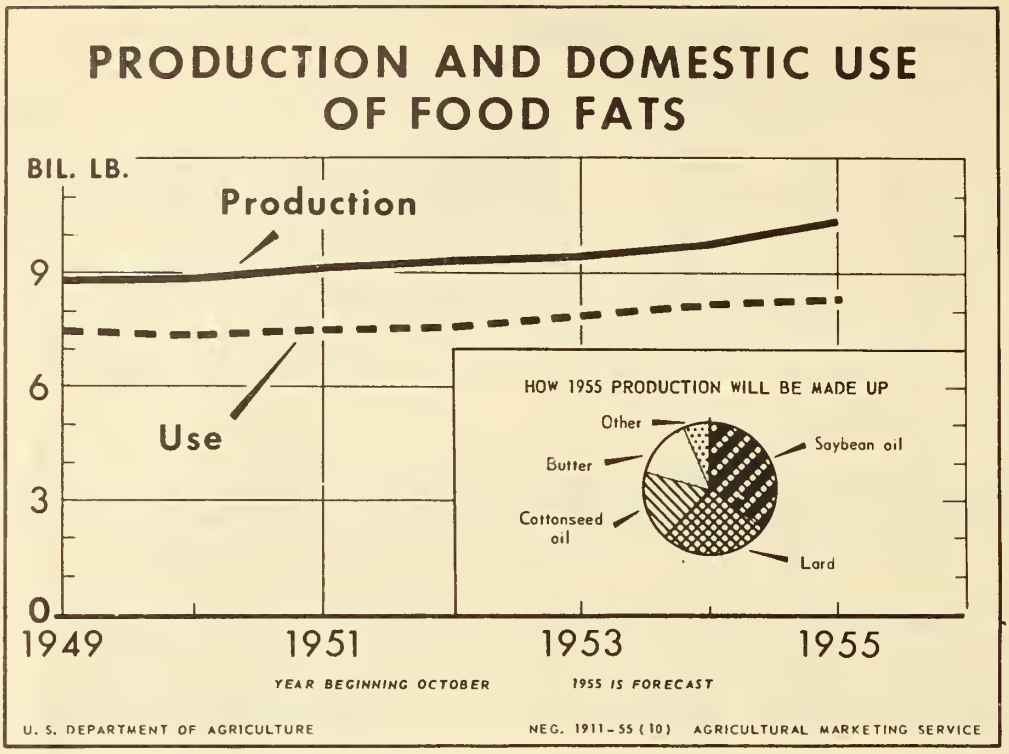
The 1955 flaxseed crop is estimated at 43 million bushels. This is slightly more than a year ago and about 11 million greater than probable domestic use. Farmers placed 3.8 million bushels of flaxseed, 9 percent of the crop, under support programs through mid-October. The deadline for loans is January 31, 1956.

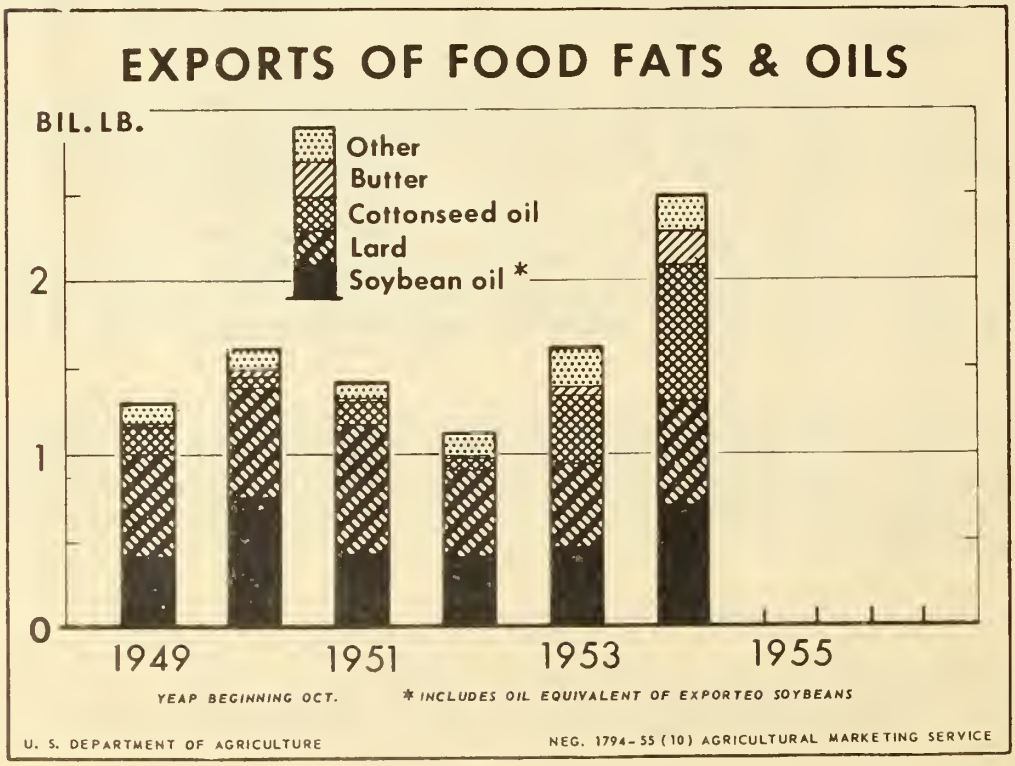
Peanut production this year, at 1,739 million pounds, is up 716 million pounds from last year's small output. The crop is much greater than probable food and farm uses and a large quantity will be available for crushing, exports and addition to stocks.

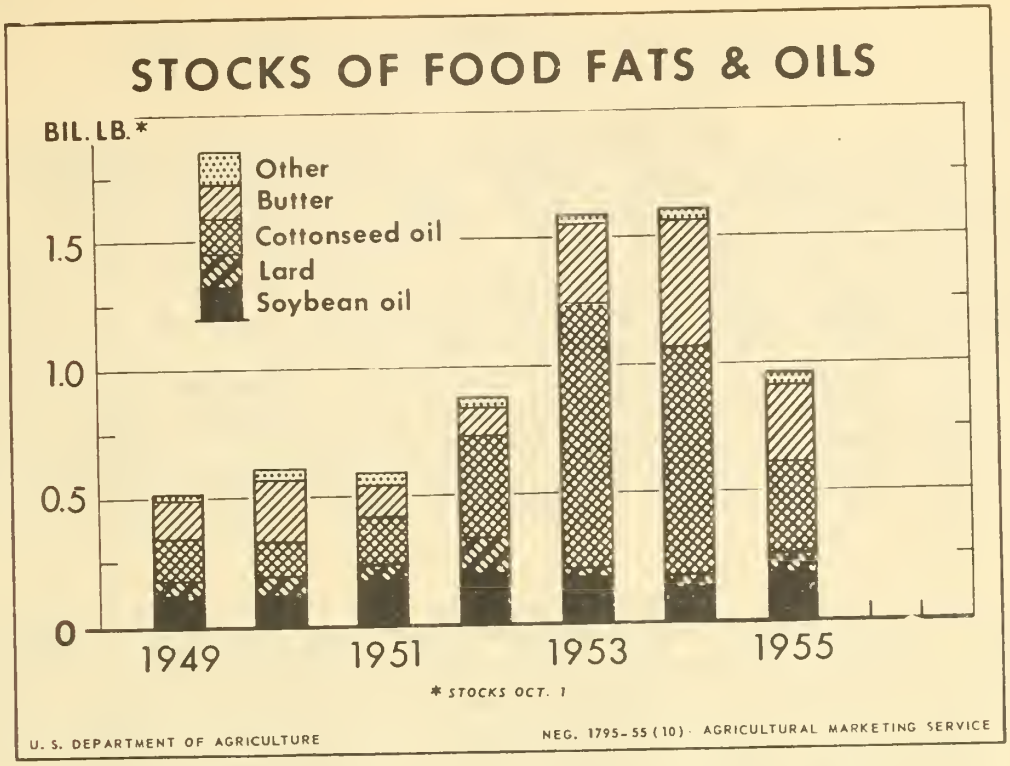
There is practically no tung nut or castor bean production this year. The tung crop was severely damaged by feezing weather last spring and about the only castor beans raised are those being used for seed or experimental purposes.

Lard supplies in 1955-56 will be about 300 million pounds more than last year, primarily because of an expected increase in hog slaughter. More lard probably will be used in shortening as prices are likely to be low relative to the edible vegetable oils. Present prospects suggest that exports will rise above last year's level.

Production of inedible tallow and greases in 1955-56 may rise somewhat above the 2,825 million pounds of a year ago also as a result of the larger hog slaughter. However, total disappearance also will rise, mainly due to greater exports, and probably will be sufficient to absorb the larger supplies without much change in stocks.


PRODUCTION AND DOMESTIC USE OF FOOD FATS
BIL. LB.
Production
Use
9
6
3
0
1949
1951
1953
1955
YEAR BEGINNING OCTOBER
1955 IS FORECAST
HOW 1955 PRODUCTION WILL BE MADE UP
Other
Butter
Cottonseed oil
Soybean oil
Lard
U. S. DEPARTMENT OF AGRICULTURE
NEG. 1911-55 (10) AGRICULTURAL MARKETING SERVICE


EXPORTS OF FOOD FATS & OILS
BIL. LB.
Other
Butter
Cottonseed oil
Lard
Soybean oil *
2
1
0
1949
1951
1953
1955
YEAR BEGINNING OCT.
* INCLUDES OIL EQUIVALENT OF EXPORTED SOYBEANS
U. S. DEPARTMENT OF AGRICULTURE
NEG. 1794-55 (10) AGRICULTURAL MARKETING SERVICE



The United States produces much more food fats than can be consumed domestically and exports have become an important outlet. Exports during the past marketing year were the most of record and resulted in a sharp drop in U. S. stocks, most of which had been acquired by the Government under price support operations. Large exports reflected lower prices, Government sale for export on a bid basis, a high level of economic activity in Europe, reduced domestic production in Japan, Spain and Argentina, and various U. S. Government programs such as those which enable other countries to purchase our fats and oils with their own currency.

Supplies of food fats will be well in excess of probable domestic use in 1955-56 and exports will have to be about as large as a year ago if an increase in stocks is not to take place. This is likely to be achieved as other countries will need large quantities of our fats, their dollar position is good, and U. S. Government programs will still be in effect.

OUTLOOK

Oil Prices

Prices of the major edible vegetable oils were well maintained from the fall of 1954 through the spring of 1955. Excess output was tendered to CCC (225 million pounds of cottonseed oil) under the support program for cottonseed and the early season soybean crush was not as large as would have been expected because record quantities were retained on farms until late in the year. Prices weakened during the summer as the soybean crush was unusually large and early season indications pointed to another huge production of food fats in 1955-56. A substantial demand for cottonseed oil to build commercial stocks, which had been at a minimum at the beginning of the crop year, helped keep edible oil prices higher than they otherwise would have been. CCC depleted its large holdings of cottonseed oil by sales for export at less than domestic market prices. This had the effect of reducing commercial reliance on the Corporation as a source of oil.

Supplies of edible vegetable oils in 1955-56 are likely to be as large as last year. Prices probably will average near present levels (11 cents per pound for crude soybean and cottonseed oils, at mills) at least through the spring, as a strong export demand will readily siphon off the large excess of output over domestic use. Last year crude soybean and cottonseed oils averaged 11.9 and 13.4 cents per pound, respectively, a spread of 1.5 cents. The spread will be less this year, as commercial supplies of cottonseed oil will be large. Peanut oil prices will average less than a year ago as production is expected to be up sharply from last year's low level.

Lard prices trended downward last year, declining from 14.2 cents per pound (tank carlots, Chicago) in October 1954 to 9.9 cents in August 1955. The average for the year was 11.5 cents per pound. Supplies were about 325 million pounds more than a year earlier and there was a moderate buildup in stocks on October 1, 1955. Prices in 1955-56 will average below this past year as another increase, about 300 million pounds, in supplies is probable. Lard prices will be low relative to the edible vegetable oils.

Support prices for butterfat have been at 75 or 76 percent of parity since April 1, 1954 and prices have averaged around support. Prices after March 1956 mostly will depend on the level of support to be established for the dairy marketing year which will start on April 1, 1956. By present legislation, it can be between 75 and 90 percent of parity.

Increased exports of inedible tallow and greases in 1954-55 offset the rise in production and prices averaged higher than the year before. Prices in October-November 1955 were nearly 1 cent per pound above last year and the highest for that period since 1951. Although prices could decline from current levels, the 1955-56 average may be greater than a year ago, as a probable continued rise in exports will offset higher output.

Table 2 .- Wholesale prices, of fats, oils and oilseed meals, specified markets, year beginning October

Fats and oils, per pound

Item	1951-52	1952-53	1953-54	Oct. 1954-Sept. 1955 Range Low	Range High	Average 12 months	Mid-Nov. 1955
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	72.9	66.6	61.4	57.1	59.6	57.8	57.5
Lard, tank carlots, Chicago	11.5	10.1	16.2	9.9	14.2	11.5	10.1
Cottonseed oil, crude, S.E. mills	12.7	14.2	13.6	11.4	14.3	13.4	11.2
Soybean oil, crude, tank cars, Midwest mills	11.3	12.1	13.5	10.6	12.6	11.9	10.9
Corn oil, crude, tanks, f.o.b. mills	13.5	14.2	14.2	11.6	14.9	13.4	11.9
Peanut oil, crude, tanks, f.o.b. mills	15.7	21.8	17.8	15.7	21.1	18.2	17.2
Edible tallow, loose, Chicago	8.5	6.5	10.4	8.5	12.2	9.5	9.6
Olive oil, imported, edible, drums, New York	29.3	34.0	30.7	30.4	32.0	31.2	32.0
Margarine, white, domestic vegetable, Chicago	27.2	27.5	27.2	25.5	26.0	25.9	26.0
Shortening, cottonseed, hydrogenated, 10 drum lots, New York	22.0	22.5	23.2	20.2	23.3	22.2	19.2
Inedible tallow, prime, Chicago	6.3	4.3	6.2	6.4	7.8	7.0	7.8
Grease, yellow, Chicago	4.7	3.4	5.5	5.8	7.1	6.4	7.0
Coconut oil, crude, tank cars, Pacific Coast 1/	13.2	18.5	17.2	13.6	15.8	14.9	13.8
Linseed oil, raw, tank cars, Minneapolis	16.7	14.8	15.1	12.3	14.5	13.1	12.7
Palm oil, Congo, drums, New York	15.5	12.4	12.5	12.4	13.2	12.8	13.2
Castor oil, dehydrated, tanks, New York	35.8	29.4	22.4	20.1	21.6	20.7	20.8
Tung oil, tanks, New York	39.3	30.8	23.0	20.7	26.3	23.3	25.2
Menhaden oil, crude, f.o.b. Baltimore	8.6	6.7	7.4	7.3	9.0	8.1	8.8
	Oilseed Meals, per ton 2/						
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Copra meal, Los Angeles	90.05	82.55	67.40	60.95	79.90	70.25	71.00
Cottonseed meal, 41 percent protein, Memphis	88.20	71.95	66.85	56.75	72.40	64.25	53.50
Linseed meal, 36 percent protein, Minneapolis	76.05	73.25	69.95	59.60	72.75	65.25	65.50
Peanut meal, 45 percent protein, f.o.b. S. E. mills	90.85	76.40	79.05	62.00	80.00	73.80	60.00
Soybean meal, 44 percent protein, Chicago	96.25	80.05	89.80	62.35	79.50	71.50	59.85
Soybean meal, 44 percent protein, bulk, Decatur	83.35	67.55	78.65	52.15	68.25	60.70	49.00

1/ Three cents added to allow for tax on first domestic processing.

2/ Bagged carlots except soybean meal at Decatur, which is bulk.

Larger High-Protein Feed Supply in Prospect

Oilseed prices are influenced to a considerable extent by the value of their meal. In fact, slightly over half the value of the products obtained from a bushel of soybeans comes from the meal.

The total quantity of the principal high-protein feeds for the 1955-56 feeding season is estimated at 11.8 million tons (soybean meal equivalent) 5 percent larger than last year and 6 percent above the 1949-53 average. The tonnage available also is expected to be larger than last year in relation to the number of livestock consuming these feeds, but about the same as the 1949-53 average.

Most of the prospective increase in high-protein feeds for 1955-56 is in soybean meal. The total output of soybean meal from this crop may be nearly 500,000 tons above the 5,705,000 tons in 1954-55. Production of cottonseed and peanut meal also will be up while linseed and copra may be about the same as in 1954-55. Total production of the 5 oilseed meals in 1955-56 may total around 9,500,000 tons compared with 8,902,000 in 1954-55. Exports during the current feeding year may equal or exceed the very heavy export of 519,000 tons in 1954-55. Imports last year totaled only about 95,000 tons, the smallest in recent years. As a result of the heavy exports and small imports, the quantity of oilseed cake and meal fed to livestock was 162,000 tons less in 1954-55 than in 1953-54, although production was 76,000 tons larger.

Prices of oilseed meals are expected to average lower this fall and winter than a year earlier. In the 1954-55 season, oilseed meal prices were fairly stable from October to February, then dropped about 10 to 20 percent in the last half of the feeding season. Prices dropped considerably during the past month and in mid-November prices of soybean and cottonseed meals were about 25 percent lower than a year earlier. If there is some seasonal strengthening of prices during the next few months, prices would be fairly close to a year earlier by next spring. Cottonseed meal prices have been relatively low this fall in relation to other oilseed meals, reflecting another large cottonseed crop, much bigger crops of other feeds and better pastures in the South. Linseed meal has been relatively high, though lower than last year.

Supplies of Fats and Oils to be Large in 1955-56

Total supplies of food fats in the marketing year which began on October 1, 1955 will be at least as large as last year's record quantity. Increased output of all the major fats and oils will offset reduced beginning stocks of cottonseed oil and butter (See table 5).

Table 3 - High-protein feeds: Quantity fed per animal unit, United States, average 1949-53, annual 1950-55

Item	Unit	Year beginning October						
		Average: 1949-53	1950	1951	1952	1953	1954 1/	1955 2/
Total protein feed (soybean meal equivalent) 3/	1,000 tons	11,127	11,134	11,551	11,438	11,458	11,224	11,800
Protein-consuming animal units 4/	Million	105.9	105.0	107.2	107.6	108.6	110.2	112
Quantity per animal unit	Pounds	210	212	216	213	211	204	211

1/ Preliminary. 2/ Preliminary estimates based on indications in November. 3/ In terms of soybean meal equivalent (44 percent protein content). 4/ High-protein feed-consuming livestock. Based on animal units of grain-consuming livestock, excluding horses and mules, adjusted for importance of high-protein feeds in total concentrates fed.

The conversion factors for computing soybean meal equivalent and protein-consuming animal units, and data for earlier years are given in The Feed Situation, Jan. 4, 1955.

Table 4 .- Oilseed cakes and meals: Supply and distribution, United States, year beginning October, 1953-54 and 1954-55

Oilseed cake and meal	Supply				Distribution			
	Stocks (Oct. 1) 1/	Production	Imports	Total	Feed	Other uses 2/	Exports	Stocks (Sept.30) 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
1953-54								
Soybean	57	5,051	16	5,124	4,965	30	67	62
Cottonseed	3/142	3,019	70	3,231	2,930	30	66	205
Linseed	23	577	1	601	526	--	35	40
Peanut	2	63	1	66	63	--	2	1
Copra	6	116	80	202	196	--	0	6
Total	230	8,826	168	9,224	8,680	60	170	314
1954-55 4/								
Soybean	62	5,705	0	5,767	5,426	30	274	37
Cottonseed	205	2,515	32	2,752	2,404	30	168	150
Linseed	40	545	0	585	487	--	76	22
Peanut	1	19	0	20	18	--	1	1
Copra	6	118	63	187	183	--	0	4
Total	314	8,902	95	9,311	8,518	60	519	214

1/ Stocks at processors' plants. 2/ Estimated quantities of soybean meal used for industrial purposes and cottonseed meal used for fertilizer on farms of cotton growers. 3/ Includes 29,000 tons owned by CCC and not stored at processors' plants. 4/ Preliminary.

Table 5 .- Food fats and oils: Supply and disposition, 1950 to date 1/

Item	Year beginning October					
	1950	1951	1952	1953	1954	1955
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Stocks, October 1						
Butter	234	114	111	323	489	295
Lard	82	57	143	42	50	75
Cottonseed oil	137	193	393	1,016	896	361
Soybean oil	113	171	194	174	127	180
Others 2/	40	57	39	33	45	51
Total	607	590	880	1,589	1,608	962
Imports	52	46	45	61	89	50
Production						
Butter	1,472	1,389	1,599	1,677	1,563	1,600
Lard	2,811	2,920	2,501	2,263	2,590	2,850
Cottonseed oil 3/	1,229	1,730	1,840	2,106	1,723	1,850
Soybean oil 3/	2,726	2,611	2,856	2,767	3,372	3,675
Others 2/ 3/	622	526	537	660	560	670
Total	8,859	9,175	9,333	9,473	9,808	10,645
Total Supply	9,519	9,811	10,258	11,123	11,505	11,657
Exports 4/						
Butter	42	3	14	45	192	
Lard	630	751	514	456	584	
Cottonseed oil 3/	59	127	55	402	716	
Soybean oil 3/	762	437	413	488	714	
Others 2/ 3/	92	62	39	119	33	
Adjustment 5/	20	52	74	92	122	
Total	1,605	1,432	1,110	1,600	2,361	
Domestic Use						
Butter	1,552	1,390	1,373	1,468	1,564	
Lard 6/	2,203	2,078	2,104	1,791	1,969	
Cottonseed oil	1,115	1,404	1,162	1,824	1,543	
Soybean oil	1,906	2,150	2,462	2,326	2,605	
Others 2/	566	521	548	589	609	
Adjustment 5/	-20	-52	-74	-92	-122	
Total 6/	7,322	7,490	7,575	7,907	8,169	
Total Use for food 7/	6,964	7,131	7,241	7,588	7,827	
Per Capita, civilian and military						
Butter (fat content)	8.0	7.1	6.9	7.2	7.5	
Other	34.7	36.2	36.2	37.3	37.5	
Total (fat content)	42.7	43.3	43.1	44.5	45.1	

1/ Totals computed from unrounded numbers. Production and imports for 1955 are forecast.
2/ Includes beef fats, peanut, corn, olive and sesame oils.
3/ Includes oil equivalent of oilseeds exported for crushing.
4/ Includes shipments. Butter, cottonseed oil and adjustments include quantities from CCC stocks that are not reported in Census data.
5/ Includes exports of processed food oils not classified by kind, shortening and other secondary fats.
6/ Adjusted for estimated changes in stocks on farm.
7/ Excludes food fats used for nonfood purposes but includes nonfood oils (mostly coconut, babassu and palm-kernel) used in food.

Table 6 .- Estimated production of fats and oils from domestic materials and oil equivalent of exported domestic oilseeds, year beginning October 1955 with comparisons

Item	Average 1937-41	1950	1951	1952	1953	1954 1/	1955 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Butter (actual weight)	2,224	1,472	1,389	1,599	1,677	1,563	1,600
Lard and rendered pork fat	2,091	2,811	2,920	2,501	2,208	2,590	2,850
Edible beef fats 3/	225	158	173	217	255	269	270
Total, edible animal fats	4,540	4,441	4,482	4,317	4,140	4,422	4,720
Corn oil	173	243	223	258	252	268	270
Cottonseed oil	1,456	1,227	1,726	1,836	2,101	1,717	1,850
Edible olive oil	7	2	4	7	2	3	5
Peanut oil	87	191	123	53	82	19	
Peanuts (shelled), oil equivalent of exports for crushing abroad 4/	---	21	---	---	69	---	125
Soybean oil	500	2,454	2,444	2,536	2,350	2,711	
Soybeans, oil equivalent of exports 5/	31	272	167	320	416	660	3,675
Total, edible vegetable oils	2,254	4,410	4,687	5,010	5,272	5,378	5,925
Inedible tallow and greases	1,303	2,343	2,268	2,616	2,661	2,825	2,925
Fish, whale and seal oils 6/	223	164	126	148	161	171	170
Total, soap fats and oils	1,526	2,507	2,394	2,764	2,822	2,996	3,095
Linseed oil 7/	363	808	554	501	631	583	
Flaxseed, oil equivalent of exports 8/	---	78	55	9/	122	139	650
Tung oil	1	12	14	43	40	15	3
Castor oil	---	---	8	13	8	5	---
Total, drying oils	364	898	631	557	801	742	653
Other fats and oils 10/	5	14	20	36	31	42	40
Grand total	8,689	12,270	12,214	12,684	13,066	13,580	14,433

1/ Preliminary.
2/ Forecasts based on November 1 crop estimates and other indications.
3/ Edible tallow, oleo stock, oleo oil, and oleostearine. Beginning January 1949, use of edible tallow in pressing is subtracted from reported production of tallow.
4/ 43 percent of actual weight.
5/ 9 pounds per bushel, 1937-41; 9.8 pounds in 1950-51; 10.0 pounds in 1952; 11 pounds in 1953-55.
6/ Excludes cod oil and fish liver oils.
7/ Excludes oil equivalent of imported flaxseed.
8/ 19.8 pounds per bushel.
9/ Less than 500,000 pounds.
10/ Neat's foot oil, wool grease, cod and fish-liver oils, and vegetable oils not reported separately by kind.

Compiled from reports of Bureau of the Census, Fish and Wildlife Service, and U. S. Department of Agriculture.

Table 7.- Number and average live weight of total commercially slaughtered hogs, yield of lard per hog and per 100 pounds live weight, and total commercial production of lard

Year beginning October	Hog slaughter		Yield of lard per		Lard production 1/
	Number	Average live weight	Hog slaughtered	100 pounds	
	Thousand	Pounds	Pounds	Pounds	Million pounds
1946	60,879	250	32.2	12.9	1,963
1947	60,518	245	31.2	12.7	1,887
1948	62,600	245	33.7	13.8	2,112
1949	68,876	239	33.4	14.0	2,301
1950	74,546	241	33.6	13.9	2,506
1951	78,027	237	33.8	14.2	2,634
1952	70,513	235	32.1	13.7	2,262
1953	63,467	238	32.0	13.4	2,028
1954 2/	71,139	239	33.3	13.9	2,368
1955 3/	77,300	237	33.9	14.3	2,625

1/ Data in table 6 includes estimate for farm lard.
2/ Preliminary.
3/ Forecast.

Production of butter in 1955-56 may be up slightly from a year ago because of an expected increase in milk output. However, total supplies will be down about 150 million pounds, reflecting a smaller carryin.

About 300 million pounds more lard will be available if production rises as anticipated. Beginning stocks are somewhat larger than a year ago. Commercial hog slaughter is likely to rise about 10 percent because of the larger pig crops produced in 1955. Also, yields per 100 pounds live weight probable will rise because of a tendency by the packers to trim more fat from pork cuts.

Supplies of edible vegetable oils will be about as large as a year ago, with increased output offsetting a smaller carryin. More soybean, cottonseed and peanut oils will be produced. The soybean and cottonseed crops are bigger than in 1954. There will be a substantial surplus of peanuts available for crushing in contrast with the shortage that existed the year before.

Supplies of inedible tallow and greases will by up about 100 million pounds in 1955-56 because of higher production. Beginning stocks were about the same as a year earlier. Cattle slaughter will be about the same as last year but hog slaughter will be up.

Supplies of linseed oil will not be as large as last year because carry-in stocks were down about 160 million pounds. However, the quantity of flaxseed available for crushing is much more than adequate to meet domestic needs.

Use of Fats and Oils to Remain About the Same

Domestic disappearance of all fats and oils in the marketing year that ended on September 30, 1955 was 65 pounds (fat content) per person (civilian and military). This was half a pound more than the year before. The entire increase was in food fats as nonfood uses remained the same (See table 8).

Food uses totaled 45.1 pounds (fat content), 0.5 more than a year earlier. Consumption of margarine at 8.0 pounds (actual weight), was down 0.2 pounds while butter use rose nearly half a pound to 9.4 pounds (actual weight). The increase in butter reflects lower prices than a year before through the first half of the year and an increase in Government donations to school lunch programs and other eligible outlets. Total disappearance of lard and shortening, at 21.7 pounds per person, was about the same as in the previous year. However, 291 million pounds of lard were used in shortening compared with 140 a year earlier because lard was lower priced than the edible vegetable oils. Other food uses (cooking and salad oils, etc.) increased about half a pound. This category has shown a strong upward trend in recent years. Except for a possible small increase in the "other" food uses category there is likely to be change in consumption of food fats. However, more lard probably will be used in shortening as supplies will be bigger and prices lower than last year.

Soap continues to decline in importance as an outlet for fats and oils as synthetic detergents make greater inroads in the soap market. The Association of American Soap and Glycerine Producers reports that compared with a year earlier its members increased their sales of synthetic detergents by 11 percent in January-September 1955 while their soap sales dropped 5 percent. These trends probably will continue in 1955-56. More fats and oils were consumed in drying oils and other industrial products becasue of the high level of economic activity.

Domestic consumption of inedible tallow and greases has been relatively stable during the past four years (table 9). Declining use in soap has been counterbalanced by an expansion in other outlets such as fatty acids and animal

Table 8 .- Domestic disappearance of food fats, and fats and oils used in industrial products, year beginning October 1954 with comparisons

Year and Item	Unit	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Total
1952-53						
Butter:						
Actual weight	Mil.lb.	351	314	378	330	1,373
Fat content	Mil.lb.	283	253	304	265	1,105
Margarine:						
Actual weight	Mil.lb.	341	353	288	299	1,281
Fat content	Mil.lb.	278	287	234	241	1,040
Lard (direct)	Mil.lb.	510	472	435	422	1,839
Shortening	Mil.lb.	414	413	331	424	1,582
Other edible 1/	Mil.lb.	288	346	370	382	1,386
Food (fat content):						
Total	Mil.lb.	1,773	1,770	1,673	1,735	6,951
Per person 2/	Lb.	11.1	11.0	10.4	10.7	43.1
Soap 3/ 4/	Mil.lb.	346	350	315	278	1,289
Drying oil products 5/	Mil.lb.	234	250	260	248	992
Other industrial products 4/	Mil.lb.	279	268	308	273	1,128
All industrial products:						
Total	Mil.lb	859	868	883	799	3,409
Per person 2/	Lb.	5.4	5.4	5.5	4.9	21.1
All products (fat content):						
Total	Mil.lb.	2,632	2,638	2,556	2,534	10,360
Per person 2/	Lb.	16.4	16.4	15.8	15.6	64.2
1953-54						
Butter:						
Actual weight	Mil.lb.	373	349	385	361	1,468
Fat content	Mil.lb.	300	281	310	291	1,182
Margarine:						
Actual weight	Mil.lb.	346	369	309	314	1,338
Fat content	Mil.lb.	282	303	249	254	1,088
Lard (direct)	Mil.lb.	462	442	366	375	1,645
Shortening	Mil.lb.	492	469	479	454	1,894
Other edible 1/	Mil.lb.	331	334	385	443	1,493
Food (fat content):						
Total	Mil.lb.	1,868	1,829	1,789	1,817	7,302
Per person 2/	Lb.	11.5	11.2	10.9	11.0	44.6
Soap 3/ 4/	Mil.lb.	364	339	284	259	1,246
Drying oil products 5/	Mil.lb.	236	208	242	256	942
Other industrial products 4/	Mil.lb.	278	247	277	268	1,070
All industrial products:						
Total	Mil.lb.	877	794	804	784	3,259
Per person 2/	Lb.	5.4	4.9	4.9	4.7	19.9
All products (fat content):						
Total	Mil.lb.	2,745	2,623	2,593	2,601	10,561
Per person 2/	Lb.	16.8	16.0	15.8	15.8	64.4
1954-55						
Butter:						
Actual weight	Mil.lb.	408	386	383	388	1,564
Fat content	Mil.lb.	328	311	308	312	1,259
Margarine:						
Actual weight	Mil.lb.	359	366	323	287	1,335
Fat content	Mil.lb.	288	293	259	234	1,074
Lard (direct)	Mil.lb.	465	431	376	390	1,662
Shortening	Mil.lb.	513	490	505	437	1,945
Other edible 1/	Mil.lb.	369	365	450	398	1,582
Food (fat content):						
Total	Mil.lb.	1,963	1,890	1,898	1,771	7,522
Per person 2/	Lb.	11.8	11.4	11.3	10.5	45.1
Soap 3/ 4/	Mil.lb.	291	280	267	272	1,110
Drying oil products 5/	Mil.lb.	220	225	285	308	1,038
Other industrial products 4/	Mil.lb.	282	304	329	259	1,174
All industrial products:						
Total	Mil.lb.	793	809	881	838	3,321
Per person 2/	Lb.	4.8	4.9	5.3	5.0	19.9
All products (fat content):						
Total	Mil.lb.	2,756	2,700	2,779	2,609	10,843
Per person 2/	Lb.	16.6	16.2	16.6	15.5	65.0

1/ Mainly salad and cooking oils. Includes all oils and fats (other than butter, lard, margarine, and shortening) used in mayonnaise and salad dressing, bakery goods, and confectionery, commercial roasting and frying, etc. 2/ Civilian and military. 3/ Excludes fat equivalent of exports and shipments of soap. 4/ Fat equivalent of soap used in synthetic rubber is included with "Other industrial products." Prior to 1949, most of the fats and oils used in synthetic detergents is believed to have been reported as used in soap. Beginning in January 1949, this use of fats and oils is entirely included in "Other industrial products." 5/ Paints, varnishes, floor coverings, oilcloth, printing inks, core oils, synthetic resins, insulation, linings, packings, coated fabrics (other than oilcloth), caulking and other protective coatings.

Computed from reports of the Bureau of the Census and United States Department of Agriculture. Total and per person estimates computed from unrounded numbers.

feeds. These trends probably will be maintained in 1955-56. Although supplies will be about 100 million pounds larger as output expands, exports are expected to rise to a new high and there may be little change in carryover stocks.

Exports to Continue at High Level 1/

In 1954-55, the United States exported (including shipments) about 4.2 billion pounds of fats, oils and the oil equivalent of oilseeds. This was 600 million pounds more than the previous high attained the year before and was reflected in a sharp cut in stocks of food fats and linseed oil. Exports were equal to about 30 percent of total production from domestic materials. Record quantities of edible vegetable oils, soybeans, tallow and greases and butter were shipped abroad. More lard also was exported than a year earlier but shipments of linseed oil and flaxseed fell off. (See table 23). Present indications are that total exports of fats, oils and oilseeds in 1955-56 will not differ materially from last year with exports continuing large for all the major types. Heavy shipments will be encouraged by shortages in world supplies of sunflower and olive oils, reduced inventories abroad, high economic activity in our major world markets, good dollar position of many foreign countries, competitive prices for many U. S. commodities, and various U. S. Government programs.

An important factor in determining the level of world trade and hence U. S. exports of fats, oils and oilseeds in 1955-56 will be the quantities imported into Russia and Eastern Europe. According to data published by the Food and Agriculture Organization of the United Nations, these areas have been taking increasingly larger supplies. Imports (excluding overland trade with China) rose from only 85 million pounds in calendar 1950 to 795 million in 1954. This was equal to one-third of the increase in total world exports. Russia and Eastern Europe continued to take large amounts in 1955.

In fiscal 1954-55 free world foreign countries were in a strong international financial position with economic activity and world trade reaching record levels. Foreign gold and dollar assets increased over 2 billion dollars during the year, and except for the United Kingdom and Cuba, many of our best customers for fats and oils shared in this improvement. Present indications are that most foreign countries will have substantial supplies of dollars in 1955-56.

1/ Prepared in cooperation with the Foreign Agricultural Service, USDA.

Table 9 .- Inedible tallow and greases: Production, utilization, net foreign trade, and wholesale price, United States

Period	Apparent production 1/	Factory consumption in					Net imports (+) or net exports (-)	Stocks end of period	Price per pound, prime inedible tallow, Chicago
		Soap	Fat splitting	Feed	Other products	Total			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average 1937-41	1,167	965	2/	2/	193	1,158	+2	321	6.3
Year beginning October									
1946	1,869	1,366	212	2/	167	1,745	-49	259	17.9
1947	1,980	1,510	184	2/	148	1,842	-72	325	18.5
1948	2,101	1,381	173	2/	145	1,699	-371	356	8.2
1949	2,150	1,335	202	2/	196	1,733	-494	279	6.8
1950	2,343	1,302	251	2/	220	1,773	-509	340	13.5
1951	2,268	1,081	203	2/	264	1,548	-718	340	6.3
1952	2,616	1,008	233	2/	282	1,523	-1,070	363	4.3
1953	2,661	967	245	3/ 71	291	1,574	-1,183	268	6.2
1954	2,825	858	267	131	316	1,572	-1,260	260	7.0
1955	2,925								

1/ Computed from factory consumption, trade and stocks.
2/ Not available.
3/ Jan.-Sept., 1954.

Compiled from reports of the Bureau of the Census and the Bureau of Labor Statistics.
Totals computed from unrounded data.

The following laws, which also were in effect in 1954-55, will help maintain exports: Public Law 480, Title I (sales for foreign currency for quantities over and above those amounts normally taken) and Title II (famine relief and other assistance). Under these two titles, about 22 million dollars were authorized mostly for cottonseed oil, last year. Section 416, (permits the distribution abroad of surplus commodities through voluntary charitable organizations). Most of the 192 million pounds of butter and about 65 million pounds of the cottonseed oil shipped abroad last year went out under Section 416. Section 402, Public Law 665 (requires that foreign aid funds be used to finance the sale of surplus commodities for foreign currencies in connection with the mutual security program.)

Prospective Mediterranean olive oil output in 1955-56 appears to be materially smaller than would be expected for a normally good year in the 2-year cycle characteristic of olive production. Carryin stocks this fall are low. Consequently, Mediterranean countries can be expected to import substantial quantities of edible oils from outside sources to supplement olive oil supplies in 1955-56.

Also on the low side were the last sunflower seed crops in Argentina, Chile, and Uruguay. It was the third successive small crop in Argentina, where sunflower seed oil is the mainstay of edible oil supply. Argentina became an importer of edible oil last year and is expected to import large quantities again this season before the new sunflower seed crop becomes available in May 1956.

World output of other edible oilseeds is expected to increase but probably not enough to offset the indicated declines in olive oil and sunflower seed oil. World peanut production appears to be up with a recovery of the 1955 crops in West Africa from last year's low levels. No significant change is reported for India, the leading producing country. World rapeseed production may be up slightly with India, Japan and Canada reporting small increases.

The important palm oil group remains a fairly stable factor in world supplies with no significant overall increase or decrease in sight for 1955-56. Philippine copra production during 1955 is now estimated about 5 percent above 1954 but no further increase is forecast for 1956. Indonesian copra production is expected to remain about the same as this year but there has been a downward trend in exports in recent years because of increased domestic consumption. Palm oil and palm kernel oil exports have trended upward in recent years and there may be a slight increase in store for 1956. Perhaps the most significant development in this respect is the continuing improvement in palm oil quality so that an increasing proportion can be used for edible purposes.

Table 10.- World Exports of fats, oils and the oil equivalent of oilseeds 1/, calendar year, 1950-55

Commodity		1950	1951	1952	1953	Estimated 1954	Forecast 1955
		1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Food							
Butter 2/ -	World	435	386	370	390	420	455
	U. S.	11	9	3/	10	22	70
	Other	424	377	370	380	398	385
Lard -	World	300	395	360	275	290	330
	U. S.	233	344	317	211	233	275
	Other	67	51	43	64	57	55
Soft oils 4/-	World	1,480	1,489	1,280	1,535	1,855	1,905
	U. S.	352	454	293	287	638	750
	Other	1,128	1,035	987	1,248	1,217	1,155
Lauric acid oils 5/							
	World	1,635	1,845	1,690	1,585	1,730	1,730
	U. S.	---	---	---	---	---	---
	Other	1,635	1,845	1,690	1,585	1,730	1,730
Palm oil -	World	570	520	570	605	635	640
	U. S.	---	---	---	---	---	---
	Other	570	520	570	605	635	640
Whale oil -	World	425	435	460	420	455	415
	U. S.	3/	3/	3/	3/	3/	3/
	Other	425	435	460	420	455	415
Non-Food							
Tallow and greases-							
	World	425	380	520	775	755	800
	U. S.	276	276	392	621	599	650
	Other	149	104	128	154	156	150
Linseed -	World	465	486	225	329	670	450
	U. S.	47	46	28	46	317	175
	Other	418	440	197	283	353	275
Other 6/ -	World	442	461	395	436	460	485
	U. S.	38	25	23	54	71	61
	Other	404	436	372	382	389	424
Grand Total -	World	6,177	6,397	5,870	6,350	7,270	7,210
	U. S.	957	1,154	1,053	1,229	1,880	1,981
	Other	5,220	5,243	4,817	5,121	5,390	5,229

1/ Includes 22 major fats and oils commodities that enter world trade. Does not include about 100 million pounds of other U.S. exports and also shipments to U. S. Territories. 2/ Fat content. 3/ Less than 500 tons. 4/ Cottonseed, peanut, soybean, sunflower, sesame, rapeseed and olive oils. 5/ Coconut and palm kernel oils. 6/ Babassu kernel, castor, oiticica, tung, perilla, sperm whale and fish oils.

Foreign Agricultural Service, Fats and Oils Division.

U. S. exports of edible oils totaled about 900 million pounds in 1954-55 (not including soybeans) of which large quantities went to South America, Spain, Western Germany, the Netherlands, and Canada. The short crops as cited above plus U. S. programs suggest that South America and Spain will take at least as much as last year. So far this marketing year, about 100 million pounds of edible vegetable oils or lard have been authorized under Public Law 480 to Spain, Ecuador, Peru, Brazil and Israel. Most of this will be vegetable oil. Further large authorizations to various countries are anticipated. Indications are that in October and November, Western Germany took about as much crude cottonseed oil, mostly for use in a high quality margarine, as during the entire past marketing year. Other major importers probably will continue to take large quantities.

Although there may be an increase in soybean production outside the U. S., due to better crops in China, Japan and Canada, the export outlook is favorable for the record U. S. crop. In mid-November, soybean prices were about 20 percent less than a year ago and remain competitive with Manchurian beans. Total exports for the marketing year probably will reach at least 65 million bushels compared with 60 million in 1954-55. Inspections of soybeans for export from October 1, 1955 to November 18 totaled 12.4 million bushels, 1.5 million more than last year. Western European requirements probably are larger. Last year 25 million bushels were imported from the United States. Japanese imports, our major market, from the United States for the first 6 months of the marketing year are expected to amount to more than 12 million bushels. Additional quantities taken after next March probably will bring the total to about the 20 million bushels taken last year. Canada also is likely to take about as much as a year ago, 8 million bushels, in spite of a 0.7 million bushel increase in production.

The United States is easily the largest exporter of lard, tallow and greases.

Lard exports in 1954-55 of 584 million pounds (including shipments to Puerto Rico and the Virgin Islands) were 28 percent larger than in the previous 12 months. Nearly 30 percent of the total went to Cuba, our most important single market. Other major foreign outlets were the United Kingdom, Western Germany, Austria, Mexico, the Netherlands and Yugoslavia. Exports probably will rise in 1955-56 mainly because of lower prices and Government programs.

United States inedible tallow and greases continued to attract heavy foreign buying in 1954-55 as exports of 1,263 million pounds exceeded the 1953-54 record by 6 percent. Japan again was the largest single importer but half of our total exports were to Western Europe. Large quantities of U. S. soap fats also were exported to South America, Egypt and the Union of South Africa. Exports probably will rise somewhat in 1955-56 primarily because of larger takings by Japan, where soap production is steadily rising.

U. S. exports of linseed oil and flaxseed at least through June 1956 may be down from last year reflecting reduced holdings by the CCC. (See section on flaxseed.)

Although the present indications point to continued large exports of food fats in 1955-56, the longer term outlook is uncertain. Some recent export markets may be smaller if Argentine production of sunflower seed is encouraged by higher guaranteed prices to farmers by the Government. Also, Mediterranean olive oil production may soon recover. Similarly, it is possible that foreign soybean production will increase in the next 5 years, particularly in Brazil. In that country, soybeans are a good crop for rotation with wheat, the potential amount of available land is large and a big processing plant is being erected in the growing area. These factors, along with the expected steady increase in edible grade palm oils and peanut production, may have a limiting effect on export markets of the future. On the other hand, increasing populations and improving standards of living abroad tend to assure the United States of continuing large export markets although perhaps not as great as the 2.4 billion pounds (including the oil equivalent of soybeans) shipped in 1954-55.

Imports Continue Around Billion Pounds

U. S. imports of fats, oils and the oil equivalent of oilseeds have averaged about 1 billion pounds in recent years and little change is expected in 1955-56. Usually about 550 million pounds are coconut oil and copra from the Philippines. Next in order is about 100 million pounds of castor oil and beans from Brazil and India. Imports of olive oil, mostly from Spain, palm oil and various fish and marine oils ordinarily average about 60 million pounds each. Smaller quantities of palm kernel, tung and other oils also are imported.

Cottonseed Prices Near Support; 1956 Acreage Allotment Reduced

Cottonseed output in 1955 is estimated at 6,119,000 tons, 7 percent more than last year. Although acreage was cut 14 percent, due primarily to a reduction in the national allotment, yields were the highest of record. Diversion of less productive acres, increased use of fertilizer and shifts in acreage from lower to higher yielding areas are some of the reasons for an upward trend in the national average yield per acre. Growing conditions were very favorable this year.

Prices to farmers for 1955 crop cottonseed are likely to average near support ($42 per ton, purchase price, basis grade 100, $8 less than last year) but substantially below last year's season average of $60.30 per ton. This

Table 11.- Cottonseed: Price to farmers, acreage, yield, supply and distribution, United States, 1947-55

Year beginning August	Price per ton		In cultivation July 1		Production	Stocks at mills, August 1	Total supply	Exports	Crushed	Seed	Residual 2/
	Season average received by farmers	Support 1/	Acreage	Yield per acre							
	Dollars	Dollars	1,000 acres	Pounds	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
1947	85.90	---	21,560	434	4,682	100	4,782	5	4,082	315	291
1948	67.20	---	23,253	511	5,945	89	6,034	6	5,332	384	180
1949	43.40	46.50	27,914	470	6,559	132	6,691	11	5,712	279	401
1950	86.60	47.00	18,629	3/447	4,105	288	4,393	6	3,723	419	179
1951	69.30	61.50	28,195	446	6,286	66	6,352	11	5,476	415	313
1952	69.60	62.40	27,185	455	6,190	137	6,327	25	5,563	406	178
1953	52.70	50.50	25,244	535	6,748	155	6,903	15	6,256	346	57
1954 4/	60.30	50.00	19,791	3/586	5,702	229	5,931	21	5,249	5/	452
1955 6/		42.00	17,096	3/733	7/6,119	209	6,328	20	5,600	5/	458
1956						250					

1/ Purchase price, basis grade except 1949 which is average grade.
2/ Includes feed, fertilizer, and loss.
3/ Based on acres in cultivation July 1 less acres removed to meet allotments.
4/ Preliminary.
5/ Not available, included in residual.
6/ Distribution and ending stocks are forecast.
7/ Indicated November 1 if the ratio of lint to cottonseed is the same as the average for the past five years.

Compiled from reports of the Bureau of the Census and U. S. Department of Agriculture.

Table 12.- Cottonseed: Yield, price and value of products per ton of cottonseed crushed, United States, 1947-54

Year beginning August	Oil			Meal			Linters, value 2/	Hulls, value 3/	Total value of product
	Yield	Price 1/	Value	Yield	Price 1/	Value			
	Pounds	Cents	Dollars	Pounds	Cents	Dollars	Dollars	Dollars	Dollars
1947	313	26.25	82.16	930	4.10	38.13	12.46	3.53	136.28
1948	320	15.42	49.34	897	2.94	26.37	7.21	1.53	84.45
1949	323	12.52	40.44	895	2.95	26.40	9.87	1.64	78.35
1950	321	20.39	65.45	896	3.58	32.08	29.99	4.15	131.67
1951	320	12.98	41.54	930	3.89	36.18	16.06	3.92	97.70
1952	328	14.25	46.74	961	3.62	34.79	11.08	3.71	96.32
1953	332	13.57	45.05	946	3.02	28.57	8.28	2.62	84.52
1954 4/	331	13.39	44.32	976	3.10	30.26	7.24	3.04	84.86
1955									

1/ Simple average price per pound using the following quotations: Cottonseed oil, crude, f.o.b. southeastern mills; cottonseed meal, 41-percent protein, bulk, carlots, Memphis.

2/ Linter prices are weighted average for all grades and market points, f.o.b. mill.

3/ Cottonseed hull prices are carload lots, Atlanta.

4/ Preliminary.

year there is no cottonseed products purchase program (that is, no package buying of oil, meal and linters at stated prices) as there was in recent years. The mid-October national average price received by farmers was $43.50 per ton. Lower prices for cottonseed reflect reduced returns for both oil and meal. Linter prices are expected to average about the same as last year. Total disappearance of linters is likely to be slightly in excess of production plus imports, resulting in a small drop in carryover.

The U. S. Department of Agriculture on October 14 announced a marketing quota of 10 million bales of cotton for the 1956 crop, the minimum permitted by law and the same as for the 1955 crop. However, because legal provisions resulted in the use of a higher yield than a year ago, the national acreage allotment for the 1956 crop was set at 17.4 million acres, 0.8 million below the 1955 level. A growers' referendum on the 1956 quotas will be held on December 13. At least two-thirds of the farmers voting in the referendum must approve quotas before they may be made effective. Last year over 90 percent of the growers voting approved the 1955 quotas. If quotas are disapproved, support to eligible growers would drop to 50 percent of parity.

If cotton production next year should be the same as the marketing quota and if the relationship between lint and cottonseed is the same as the average for the past 5 years, output of cottonseed would total about 4.1 million tons. This would be nearly 35 percent below the 1955 level and the smallest since 1950. Cottonseed oil and meal production would drop about 550 million pounds and 800 thousand tons, respectively. Cottonseed prices probably would rise at least moderately. However, yields would have to be down sharply from the 1955 record level if production of cottonseed is to be no larger than what would be obtained from a cotton crop equal to the marketing quota.

Soybean Prices Near Support

Supplies of soybeans for the 1955-56 marketing year are placed at 382 million bushels, 38 million more than last year's previous high. Production reached a new peak, reflecting a sharp increase in acreage, and beginning stocks were considerably greater than the small quantity on hand a year earlier.

Crushings probably will rise moderately from the 249 million processed last year and may reach 260-265 million bushels. Also 30 million bushels are likely to be used on farms. Exports are expected to reach a new high of at least 65 million bushels, which would leave a carryover of over 20 million bushels.

Table 13.- Soybeans: Price to farmers, acreage and yield, supply and distribution, United States, 1947-55

Year beginning Oct.	Price per bushel: Season average received by farmers	Price per bushel: Support	Acreage harvested for beans	Yield per harvested acre	Production	Stocks Oct. 1	Total supply	Exports 1/	Crushings for oil and meal	Seed	Residual 2/
	Dol.	Dol.	1,000 acres	Bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1947	3.34	2.04	11,411	16.3	186.5	5.4	191.9	3.0	161.4	16.1	8.8
1948	2.27	2.18	10,682	21.3	227.2	2.6	229.8	23.0	183.7	15.9	4.0
1949	2.16	2.11	10,482	22.3	234.2	3.2	237.4	13.1	195.3	19.0	7.0
1950	2.47	2.06	13,814	21.7	299.3	2.9	302.2	27.8	252.0	18.2	.0
1951	2.73	2.45	13,545	20.9	282.5	4.2	286.7	17.0	244.3	19.5	2.3
1952	2.72	2.56	14,338	20.8	298.1	3.6	301.7	31.9	234.4	20.5	4.8
1953	2.72	2.56	14,679	18.3	268.5	10.1	278.6	39.7	213.2	23.4	1.2
1954 3/	2.52	2.22	17,037	20.1	342.8	1.3	344.1	60.1	249.0	25.1	-.1
1955		2.04	18,397	20.2	4/371.9	10.0	381.9				

1/ In addition, exports of soybean oil, in millions of pounds and the soybean equivalent in millions of bushels were as follows: 1947, 113 (11.9); 1948, 300 (30.6); 1949, 291 (29.4); 1950, 490 (50.5); 1951, 271 (27.1); 1952, 93 (8.6); 1953, 71 (6.8); 1954, 54 (4.9).
2/ Computed from unrounded numbers. Includes use for feed, direct use for food, and loss.
3/ Preliminary.
4/ Indicated November 1.

Compiled from reports of the Bureau of the Census and U. S. Department of Agriculture.

Table 14.- Soybeans: Yield, price and value of products per bushel of soybeans crushed, United States, 1947-54

Year beginning October	Oil			Meal			Value of products		
	Yield	Price 1/	Value	Yield 2/	Price 1/	Value	Total	Percentage distribution: Oil	Percentage distribution: Meal
	Pounds	Cents	Dollars	Pounds	Cents	Dollars	Dollars	Percent	Percent
1947	9.5	23.7	2.25	47.5	4.04	1.92	4.17	54	46
1948	9.8	13.1	1.28	47.2	3.30	1.56	2.84	45	55
1949	9.9	12.3	1.22	48.0	3.22	1.55	2.77	44	56
1950	9.7	17.8	1.73	47.6	3.22	1.53	3.26	53	47
1951	10.0	11.3	1.13	47.8	4.17	1.99	3.12	36	64
1952	10.8	12.1	1.31	48.5	3.38	1.64	2.95	44	56
1953	11.0	13.5	1.48	48.4	3.93	1.90	3.38	44	56
1954 3/	10.9	11.9	1.30	46.8	3.04	1.42	2.72	48	52
1955									

1/ Simple average price per pound using the following quotations: Soybean oil, crude, tank cars, f.o.b. mid-west mills; soybean meal, bulk, Decatur, quoted as 41 percent prior to July 1950, 44 percent beginning July 1950.

2/ Excludes beans crushed for flour; if these beans were included, the yield would be about 1 pound less.

3/ Preliminary.

Table 15.- Soybean oil: Supply and disposition and oil equivalent of exports of soybeans, 1947 to date 1/

Year beginning October	Supply: Production	Supply: Imports	Supply: Stocks October 1	Supply: Total	Disposition: Exports	Disposition: Domestic disappearance	Soybean oil equivalent of exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	1,534	2/	204	1,738	112	1,530	27
1948	1,807	2/	96	1,903	300	1,490	225
1949	1,937	2/	113	2,050	291	1,646	128
1950	2,454	---	113	2,567	490	1,906	272
1951	2,444	2/	171	2,615	271	2,150	167
1952	2,536	2/	194	2,730	93	2,462	320
1953	2,350	---	174	2,525	71	2,326	416
1954 3/	2,711	---	127	2,838	54	2,605	660
1955			180				

1/ Totals computed from unrounded data.
2/ Less than 500,000 pounds.
3/ Preliminary.

Table 16.- Soybean oil: Utilization, year beginning October, 1950-1954 and calendar year, 1947-54 1/

Year beginning October	Food uses: Shortening	Food uses: Margarine	Food uses: Other	Food uses: Total	Nonfood uses: Drying oil products	Nonfood uses: Foots and loss	Nonfood uses: Other	Total domestic disappearance
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
1950	797	461	302	1,560	205	87	54	1,906
1951	800	579	370	1,748	238	97	67	2,150
1952	879	735	464	2,078	252	106	26	2,462
1953	904	661	453	2,018	215	84	9	2,326
1954 2/	979	741	508	2,228	262	107	9	2,605
Calendar year								
1947	705	228	248	1,181	159	69	42	1,451
1948	708	255	240	1,203	162	73	35	1,473
1949	713	257	239	1,210	220	80	22	1,531
1950	841	312	293	1,446	213	82	27	1,769
1951	731	473	331	1,536	194	84	28	1,842
1952	851	652	408	1,911	209	104	75	2,299
1953	903	726	498	2,128	242	101	25	2,496
1954 2/	918	665	435	2,018	218	86	8	2,330

1/ Totals computed from unrounded numbers.
2/ Preliminary.

Exports have become a major outlet for U. S. soybeans. Last year, 17 percent of the total supply was shipped abroad compared with 14 percent for the 1953 crop, 11 percent for 1952, and only 6 percent in 1951. Manchuria was the major source of world export supply prior to World War II, exporting an average of 69 million bushels in 1935-39. Manchurian shipments have been sharply reduced since then and the U. S. now is the major exporter. Northbound shipments of soybeans through the Suez Canal from China-Manchuria in calendar years 1953 and 1954 were around 12-14 million bushels but will be at least 16 million in 1955. In the Orient, the beans also are used in food and this is the principal outlet for soybeans imported into Japan. Also, soybeans rather than oil are preferred in Japan, as in Europe, to utilize the available crushing capacity and provide employment.

Prices to farmers for 1955 crop soybeans are being supported at a national average farm price of $2.04 per bushel, 18 cents less than a year ago. The support is equal to 70 percent of the February 15, 1955 parity price compared with 80 percent of parity for the 1954 crop. Purchase agreements and loans are available through January 1956. Farmers can redeem loans or deliver beans to CCC through May 31, 1956.

Prices received by farmers in the latter part of November were near support. Any seasonal increase through the spring would be modest because of large supplies. With a crop as big as the present one, the spread between the monthly national average farm price and the value of the products obtained from a bushel of beans may be larger than it has been in recent years.

Outlook for 1956 Crop Soybeans

If the 1956 soybean crop should be about the same size as this year, total supplies (production plus beginning stocks) in 1956-57 would be at a new high of nearly 400 million bushels. Assuming farm uses at about 30 million and the carryover at about 20 million bushels, about 350 could be crushed or exported. About 3.9 billion pounds of oil can be obtained from 350 million bushels. This would be about 200 million more than the record quantity expected in 1955-56.

About 2 billion pounds of all food fats excluding butter (but including the oil content of soybeans) would be available for export in 1956-57. This assumes that 1956 cotton output would be no larger than the marketing quota for that crop and allows for little change in production of other food fats. Although about 200 million pounds below the 1954-55 level and less than the anticipated shipment in 1955-56, this still would be about 400 million pounds more than any previous export. This modest reduction in exportable supplies might be offset in its effect on prices by some decline in the export demand. (See section on exports.)

Production of oilseed meals per grain consuming animal unit in 1956-57 probably would be down moderately from the anticipated 1955-56 level if the cotton crop is near the marketing quota. The level of exports also will be an important factor. About 500 thousand tons, 6 percent of output, were shipped abroad in 1954-55. Shipments probably will continue heavy in 1955-56.

Price support for soybeans is discretionary. As yet, no announcement as to support for the 1956 crop has been made.

Large Surplus
of 1955 Crop Peanuts

The 1955 peanut crop will provide many more peanuts than necessary to meet food and farm uses and prices to farmers for Spanish and Runners are likely to be near the loan value. Prices for Virginia type peanuts have been well above the loan value. The loan value is the support price less about half a cent for charges for storage, inspection, grading and expenses of cooperatively marketing the peanuts. Prices so far this year have been about 11.8 cents per pound compared with the national average support level of 12.2 cents.

Production of peanuts in 1955 is estimated at 1,739 million pounds, 716 million more than last year's small output. Most of the rise reflected a near record yield, although harvested acreage also was up. Larger acreage is due to a 7.5 percent increase in the allotment and the picking and threshing of a greater percentage of the allotted acreage. Compared with last year production in the Southeast increased the most followed by the Southwest and then the Virginia-North Carolina area.

Civilians in recent years have been consuming about 6.5 pounds of peanuts, farmers' stock basis, per person. Last year consumption fell about half a pound because of reduced supplies and higher prices. In March 1955 the import quota for the year was raised from 2 to 51 million pounds, shelled basis, and in May all restrictions on the quantity of shelled peanuts to be imported through July 1955 were removed. Imports rose sharply last spring and the total for September 1954-August 1955 was 180 million pounds, farmers' stock basis. With large supplies again available and prices lower, consumption in 1955-56 is likely to return to about 6.5 pounds per person. If farm uses are about the same as in recent years, about 500 million pounds, nearly 30 percent of the crop, would be available for crushing, exports and addition to stocks.

As most of the excess peanuts will be acquired by CCC under the support program the quantity crushed and exported will to a large extent depend on Governmental sales policy. The Corporation has announced that it will purchase No. 2 shelled peanuts, which are the lower quality edible nuts, at specified prices for diversion into oil or export. Purchases for diversion will be made only under conditions of surplus and will be terminated whenever they appear to be no longer needed. CCC also can call its loans on farmers' stock peanuts.

Table 17.- Peanuts: Supply and disposition (farmers' stock basis), United States, 1937-55

Year beginning Sept. 1	Production	Stocks Sept. 1	Total supply 1/	Exports and shipments	Crushed for oil	Seed, feed, farm loss and shrinkage	Domestic food use: Military	Domestic food use: Civilian	Civilian per capita
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Pounds
Average 1937-41	1,395	122	1,522	3	320	197	15	891	6.7
1942	2,193	115	2,312	4	448	328	146	1,170	8.9
1943	2,176	216	2,393	36	378	418	223	1,092	8.4
1944	2,081	246	2,412	29	431	314	288	1,140	8.7
1945	2,042	210	2,252	63	378	273	14	1,243	9.1
1946	2,038	281	2,319	252	534	296	---	1,036	7.2
1947	2,182	201	2,383	483	478	293	3	951	6.5
1948	2,336	175	2,511	762	483	227	6	914	6.2
1949	1,865	119	1,984	131	612	224	7	892	5.9
1950	2,037	118	2,155	72	642	227	14	947	6.2
1951	1,676	253	1,929	4	415	177	10	991	6.4
1952	1,366	332	1,698	3	198	138	10	1,008	6.4
1953	1,589	341	1,930	227	305	138	10	1,034	6.5
1954 2/	1,023	216	1,419	9	94	125	9	984	6.0
1955 3/	1,739	198	1,937			135	(1,100)		
1956									

1/ Includes imports which are negligible in every year except in 1944 and 1954 when 85 million and 180 million pounds, respectively, were imported.
2/ Preliminary.
3/ Distribution is forecast.

Table 18.- Peanuts: Acreage, yield, price and quantity acquired by CCC

Year beginning Sept. 1	Acreage: Allotment	Acreage: Picked and threshed: Total	Acreage: Picked and threshed: Percentage of allotment	Yield per acre	Price: U. S. average support	Price: Received by farmers	Price: Paid for crushing	Acquired by CCC
	1,000 acres	1,000 acres	Percent	Pounds	Cents	Cents	Cents	Million pounds
1949	2,629	2,308	88	808	10.5	10.4	4.4	763
1950	2,200	2,268	1/103	898	10.8	10.9	7.5	835
1951	1,889	2,009	1/106	834	11.5	10.4	6.2	540
1952	1,706	1,460	86	936	12.0	10.9	7.2	99
1953	1,679	1,528	91	1,040	11.9	11.1	6.5	297
1954	1,610	1,388	86	737	12.2	12.2	---	---
1955	2/1,731	1,656	96	1,050	12.2			
1956	1,610							

1/ Producers could harvest without penalty peanuts in excess of their allotments if these peanuts were sold for crushing.
2/ The original 1955 allotment of 1,610 thousand acres was increased by 7.5 percent in May 1955.

1956 Crop Peanut Prices Likely to Drop

Prospects are that prices received by farmers for 1956 crop peanuts will be lower than for the 1955 crop. The drop would reflect a reduction in the support price and production large enough to keep prices around support.

Present legislation provides for the transition from "old" to "modernized" parity for peanuts at the rate of 5 percent of the old parity price per year beginning with January 1956. Thus the parity level for the 1956 crop will be equal to 95 percent of the old parity. The old parity for peanuts on October 15, 1955 (the latest month available) was 13.5 cents per pound compared with 10.9 cents for modernized parity.

Another factor in determining the support level for the 1956 crop is the relationship between the estimated supply and the "normal" supply for that marketing year. For example, if the estimated supply (carryin stocks, production and imports) is expected to be not more than 108 percent of the normal supply, support would be at 90 percent of parity. If the supply percentage is more than 130 then support would be at not less than the minimum of 75 percent. Normal supply is defined by legislation as the estimated domestic consumption and expected exports plus a carryout equal to 15 percent of the two.

The estimated supply and consequently the support level for the 1956 crop will depend largely on the extent to which surplus 1955 crop peanuts are acquired and disposed of by CCC. The greater the carryover, whether in Government or commercial hands, the greater the supply percentage. If crushings and/or exports aren't substantial, the supply percentage would be large enough to depress the minimum support level down towards 75 percent of parity. (The sliding scale went into effect with the 1955 crop but the supply percentage as estimated last spring kept the support at 90 percent of parity.)

The following is an example of the probable range of support prices for the 1956 crop.

Assuming no change from the October 15, 1955 level in the index of prices paid, interest and taxes, transitional parity in 1956 would be 12.8 cents per pound (95 percent of the old parity of 13.5 cents). Support at 75 to 90 percent would range from 9.6 cents to 11.5 cents per pound. Support for the 1955 crop is 12.2 cents per pound, 90 percent of parity.

The 1956 national allotment for peanuts is 1,610,000 acres, the minimum set by law. Initially, the 1955 allotment also was set at the minimum but it was raised 7.5 percent last May. With average growing conditions in 1956, yields would be high enough to provide a moderate surplus of peanuts above probable food and farm uses.

Export Markets and Support Levels are Major Considerations in Flaxseed Outlook

Supplies of flaxseed and linseed oil in 1955-56 are the smallest since 1947. Output of flaxseed this year is the largest since 1949, though only slightly more than a year ago, but beginning stocks were the lowest since 1948. Stocks have been cut sharply during the past two crop years, primarily by large export sales of CCC-owned linseed oil and flaxseed at less than U. S. market prices.

Supplies of flaxseed for 1955-56 may be about 11 million bushels above domestic use. The 1955 flaxseed crop is estimated at 43 million bushels compared with about 32 million needed for oil, seed and feed. There is likely to be little change in the commercial carryover of flaxseed and linseed oil on July 1, 1956.

Flaxseed prices to farmers have declined considerably since the beginning of the 1955-56 marketing year and are now around the support level. Prices through the rest of the year will depend on how much flaxseed farmers place under the support program and on developments in world trade for flaxseed and linseed oil.

Farmers placed 3.8 million bushels of flaxseed, 9 percent of the crop, under support programs by mid-October. The deadline for loans is January 31, 1956.

Prospects for substantial exports of U. S. flaxseed through commercial channels at prices at least as high as the 1955 support level appear reasonably good. During the past two crop years, world exports of flaxseed and linseed oil averaged over 56 million bushels each year. (See table 20.) Sources other than the United States provided 41 million bushels in 1953-54 and only 31 million bushels in 1954-55. The rest were CCC supplies and, as indicated above, sold below U. S. prices.

Present indications are that exportable supplies from other countries in 1955-56 may total between 35 and 40 million bushels. Supplies from Argentina are expected to be down from last year but will be more than offset by increases in other areas, largely Canada. The Argentine crop, which is being harvested now (November 1955-January 1956), is estimated at 16 million bushels, 3 million less than a year ago. Also, most of Argentina's large carryover was exported during the past two years. The 1955 Canadian crop, which was harvested in September-October, was officially estimated at 21 million bushels, twice as much as a year ago and the largest since 1912. Carryin stocks probably were about the same as a year earlier.

Table 19.- Flaxseed: Price to farmers, acreage, yield, production, net trade, crushings and stocks; also, stocks and total disappearance of linseed oil in terms of flaxseed, United States, annual 1947-55

Year beginning July	Price per bushel: Season average received by farmers	Price per bushel: Support (farm basis)	Flaxseed: Planted acreage	Flaxseed: Yield per planted acre	Flaxseed: Production	Flaxseed: Net imports (+) or net exports (-)	Flaxseed: Crushings	Flaxseed: Stocks, July 1	Linseed oil in terms of flaxseed: Stocks, July 1	Linseed oil in terms of flaxseed: Disappearance: Domestic	Linseed oil in terms of flaxseed: Disappearance: Total 1/
	Dol.	Dol.	Thou. acres	Bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1947	6.15	5.75	4,264	9.5	40.6	+.7	30.1	2/1.7	7.3	28.9	30.3
1948	5.71	5.75	5,121	10.7	54.8	-4.1	37.3	7.2	7.0	24.5	25.2
1949	3.63	3.74	5,348	8.0	43.0	-2.0	37.4	19.4	19.6	26.5	26.7
1950	3.34	2.57	4,274	9.4	40.2	-2.9	42.3	17.0	29.4	36.4	37.7
1951	3.71	2.65	4,116	8.4	34.7	-4.2	30.3	12.3	33.8	29.1	30.5
1952	3.72	3.77	3,444	8.8	30.2	-.2	25.2	11.5	33.6	27.8	28.0
1953	3.62	3.79	4,640	7.9	36.7	-2.4	27.8	10.0	31.3	25.6	40.9
1954 3/	3.08	3.14	5,959	7.0	41.5	-8.6	32.3	14.0	18.4	27.4	43.6
1955 4/		2.91	5,305	8.1	4/43.0			11.2	7.1		

1/ Domestic disappearance plus exports.
2/ Partly estimated.
3/ Preliminary.
4/ Indicated as of November 1.

Compiled from reports of the Bureau of the Census and United States Department of Agriculture.

Table 20.- World exports and U. S. trade in linseed oil and flaxseed, 1/ 1934-38, 1953-55

Source	Calendar year average 1934-38		Year beginning July 1: 1953		1954		1955 forecast	
	Oil basis	Seed basis	Oil basis	Seed basis	Oil basis	Seed basis	Oil basis	Seed basis
	Mil. lb.	Mil. bu.	Mil. lb.	Mil. bu.	Mil. lb.	Mil. bu.	Mil. lb.	Mil. bu.
Exports								
Argentina	1,155	57.8	536	26.8	306	15.3		
Canada	---	---	124	6.2	117	5.8		
Uruguay	55	2.8	87	4.4	86	4.3		
India	185	9.2	5	.2	83	4.2		
Other 2/	31	1.5	59	3.0	23	1.2		
Total non-U. S.	1,426	71.3	811	40.6	615	30.8	740	37
Less imports by U. S.	346	17.3	3/	3/	3/	3/	---	---
Exports to countries other than the U. S. from non-U. S. sources	1,080	54.0	811	40.6	615	30.8	740	37
U. S. Exports	1	.1	350	17.5	487	24.3		
Export availabilities to countries other than the U. S., from all sources	1,081	54.1	1,161	58.1	1,102	55.1		

1/ Converted on basis of 20 pounds of oil to the bushel.
2/ Partly estimated in 1953 and 1954.
3/ Negligible.

Based on data obtained from the Food and Agriculture Organization of the United Nations and reports of the Bureau of the Census.

Table 21.- Flaxseed: Yield, price and value of products per bushel of flaxseed crushed United States, 1947-54

Year beginning July	Oil			Meal			Value of products		
	Yield	Price 1/	Value	Yield	Price 1/	Value	Total	Percentage distribution	
								Oil	Meal
	Pounds	Cents	Dollars	Pounds	Cents	Dollars	Dollars	Percent	Percent
1947	19.8	29.5	5.84	35.1	4.0	1.40	7.24	81	19
1948	19.8	26.8	5.31	35.9	3.2	1.15	6.46	82	18
1949	19.5	17.7	3.45	37.1	3.2	1.19	4.64	74	26
1950	20.0	18.8	3.76	36.5	2.9	1.06	4.82	78	22
1951	20.1	16.7	3.36	36.1	3.3	1.19	4.55	74	26
1952	20.1	15.0	3.02	36.4	3.6	1.31	4.33	70	30
1953	19.8	14.8	2.93	36.0	3.3	1.19	4.12	71	29
1954 2/	19.6	13.6	2.67	36.7	3.1	1.14	3.81	70	30
1955									

1/ Simple average price per pound using the following Minneapolis prices: raw oil in tank cars; 34 percent protein meal, bulk.

2/ Preliminary.

The CCC probably will sell for export all the oil obtained from toll crushing 1954 crop flaxseed, 91 million pounds. Sales through November 16 totaled 28 million pounds and were made at an average price of about 11 cents per pound, f.o.b. buyer's vessel, Gulf ports. This is about 2 cents below the domestic market price. The Corporation recently sold about 290,000 bushels of flaxseed, mostly for export at prices about equal to the 1955 support level. Any quantities still owned by CCC at this date would be small.

Thus export availabilities from non-U. S. sources plus CCC sales probably will total about 42 to 47 million bushels. If minimum requirements (including about 5 million to Russia) are about 50 million bushels -- 5 to 8 million bushels less than takings during the past two years -- there would appear to be some prospect for commercial exports of U. S. flaxseed. World imports may be less than last year because of a substantial rise in prices since the depletion of large stocks in the U. S. and Argentina. Argentina, in the latter part of May signed a trade agreement with Russia to provide about 135 million pounds of linseed oil. Only about 30 million pounds were shipped prior to July 1, so the bulk of it, equal to 5 million bushels, will be taken in 1955-56. Russia imported approximately 150 million pounds in calendar 1954 compared with minor amounts in the preceding years. Russia was the third largest world importer in 1954. International markets will be influenced to a considerable extent by any additional Russian purchases through next spring.

Production of flaxseed in 1956 probably will continue well above domestic need, assuming average growing conditions. Over 90 percent of the crop is grown in Minnesota, North and South Dakota where alternative land uses are limited. The wheat allotmnet for the 1956 crop is the same as the year before. Farmers reduced flaxseed acreage sharply from 1954 to 1955 mainly because of disappointing yields in 1954 and a sizable reduction in the 1955 crop support level. Yields in 1955 were much better than the year before.

The U. S. and Canada have become major exporters of linseed oil and flaxseed in recent years, mainly because of a sharp decline in exportable supplies from Argentina. The decline in Argentine production has reflected public policies that were more favorable to industry than agriculture. Prior to World War II, Argentina was by far the major source of world supplies, exporting 81 percent of total exports in calendar years 1934-38. Prospects are that importing countries will continue to need large quantities of U. S. and Canadian supplies. In 1934-38 world exports of flaxseed and linseed oil totaled 71 million bushels. However, the U. S. had a large net import balance in those years, taking 17 million bushels. Consequently about 54 million bushels went to other importers. Now large quantities have to be shipped from the U. S., just to bring total availabilities to other countries up to the prewar level (table 20). In the U. S. a rising population and an expanding economy have resulted in more linseed oil being consumed than formerly, although down on a per capita basis, despite replacement by synthetics and other oils. This would suggest that if prosperity is maintained in other countries, they will continue to require at least as much oil as prior to World War II. Another factor is whether Russia will continue to import large quantities of linseed oil. CCC no longer has large stocks of linseed oil on hand so the possibilities for commercial exports in future years are greater than they have been.

Support on U. S. flaxseed is discretionary with the Secretary of Agriculture at any level from 0 to 90 percent. The 1955 crop is being supported at 65 percent of parity, $2.91 per bushel, farm basis. Supports have been reduced each crop year since 1953 but are still higher than for the 1950 and 1951 crops. As yet, no support price has been announced for the 1956 crop. Canada does not support flaxseed prices. World price movements over the past crop year suggest that U. S. flaxseed prices are near a level which will permit sizable commercial exports.

Tung Supplies Tight; Prices May Rise

Supplies of tung oil in the marketing year which began on November 1, 1955 will be limited and prices may move up.

The 1955 domestic tung nut crop was severely damaged by a freeze last spring and production of tung oil will be only about 2 to 3 million pounds. This compares with 15 million last year and 40 million 2 years ago. CCC owned 19 million pounds on November 1 and beginning commercial stocks can be reduced somewhat. Consequently, total domestic availabilities in 1955-56 may be about 25 million pounds. Domestic use in the last 4 years has been about 50 million pounds. For consumption in 1955-56 to be maintained at this level, about 25 million pounds would have to be imported. This quantity probably can be obtained from Argentina and Paraguay. Imports in November 1954-September 1955 totaled 25 million pounds, nearly all of it from Argentina. U. S. imports from Communist China, the major world exporter, are prohibited.

CCC is making monthly offers of 1.9 million pounds of tung oil on a competitive bid basis until its stocks are exhausted. The November sale was made at about 24 cents per pound, f.o.b. buyer's tank cars, basis Gulfport, Mississippi.

The 1955 tung nut crop is being supported at $51.06 per ton (60 percent of parity), basis 18.5 percent oil content. The equivalent price for tung oil is 20 cents per pound. Support last year, $54.96 per ton or 21.2 cents per pound, also was at 60 percent of parity. Price support for tung nuts is mandatory at some level between 60-90 percent of parity.

No Castor Beans in 1955

About the only castor beans produced in 1955 were a few to be used almost entirely for seed and experimental purposes. Production totaled 11.5 million pounds, shelled basis, last year and over 51 million pounds two years ago. The virtual elimination of commercial production this year reflects the discontinuance of the Government's guaranteed minimum price to domestic producers.

Table 22.- Fats, oils, including margarine and shortening, and tall oil: Production from domestic and imported materials, and factory and warehouse stocks at end of month

Items grouped by major use	Production 1/					Stocks		
	Oct.-Sept.		1954	1955		1954	1955	
	1953-54	1954-55	Sept.	Aug.	Sept.	Sept. 30	Aug. 31	Sept. 30
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
PRIMARY FATS AND OILS								
Food fats and oils								
Butter 2/	1,464.2	1,356.3	92.3	102.5	91.6	488.6	327.6	295.4
Lard and rendered pork fat 3/	2,028.0	2,368.0	170.0	172.0	184.0	50.5	97.0	75.0
Oleo oil, oleo stock, edible animal stearine, and edible tallow	255.5	268.9	19.0	25.7	21.8	9.6	17.8	15.4
Total edible animal fats	3,747.7	3,993.2	281.3	300.2	297.4	548.7	442.4	385.8
Corn oil	251.9	268.4	21.0	23.9	22.6	15.0	19.8	19.5
Cottonseed oil	2,101.5	1,716.5	165.4	70.4	159.4	896.3	346.2	360.8
Olive oil, edible	1.6	3.1	---	---	---	7.2	5.6	5.3
Peanut oil	81.5	19.5	2.8	.7	.4	12.9	13.2	10.1
Soybean oil	2,350.2	2,711.5	125.3	219.5	206.4	127.2	192.2	179.9
Total edible vegetable oils	4,786.7	4,719.0	314.5	314.5	388.8	1,058.6	577.0	575.6
Soap fats and oils								
Tallow, inedible, and greases excluding wool grease 4/	2,661.1	2,824.5	217.8	251.6	245.2	267.8	259.3	260.5
Palm oil	---	---	---	---	1.3	22.7	21.7	20.9
Fish oil	161.3	170.9	28.9	27.5	26.0	53.2	57.9	64.7
Whale and seal oils	---	---	---	---	---	8.4	10.9	26.5
Olive oil, inedible and foots	---	---	---	---	---	3.5	5/	5/
Coconut oil	433.5	435.0	38.4	39.8	34.7	58.8	98.8	96.6
Total soap fats	3,255.9	3,430.4	285.1	318.9	307.2	414.4	448.6	469.2
Drying oils								
Castor oil, dehydrated	16.8	20.5	1.8	1.5	1.9	3.8	2.2	2.1
Linseed oil	630.8	583.2	79.7	52.6	56.6	253.3	88.9	93.8
Oiticica oil	---	---	---	---	---	4.6	6.5	6.7
Tung oil	39.6	15.1	---	---	---	49.8	38.9	34.7
Total drying oils	687.2	618.8	81.5	54.1	58.5	311.5	136.5	137.3
Other industrial oils and fats								
Neat's-foot oil	2.1	6/.4	.1	7/	7/	.9	7/	7/
Sperm-oil	---	---	---	---	---	8/	8/	8/
Wool grease	5.8	6/1.1	.3	7/	7/	.9	7/	7/
Cod oil and fish-liver oils	1.7	1.8	.2	.1	.2	5.9	1.7	1.8
Castor oil, No.1 and No.3 9/	46.8	34.2	3.9	1.0	1.1	24.7	39.2	40.8
Rapeseed oil	---	---	---	---	---	1.2	2.1	1.8
Other vegetable oils	21.9	38.7	1.4	4.5	4.8	31.7	41.0	41.3
Total	78.3	76.2	5.9	5.6	6.1	65.3	84.0	85.7
Grand total 10/ 11/	13,003.6	13,264.3	968.3	993.2	1,056.9	2,398.7	1,688.5	1,653.6
From domestic materials	12,514.4	12,774.6	924.3	950.9	1,019.1			
From imported materials	489.2	489.8	44.0	42.3	37.8			
FAT-AND-OIL PRODUCTS								
Margarine --Colored								
Uncolored								
Total	1,346.2	1,346.3	118.1	91.6	113.9	19.8	20.6	22.2
Shortening	1,918.6	2,038.6	164.4	151.4	158.4	96.3	149.8	140.7
Tall oil	332.2	497.9	28.1	46.2	45.2	59.3	65.3	60.5

1/ Factory production except as otherwise noted.
2/ Creamery butter production and cold-storage stocks, United States Department of Agriculture.
3/ Total commercial. Excludes farm production. Federally inspected in October 1953-September 1954 totaled 1,831.3 million pounds; October 1954-September 1955 totaled 2,049.4 million pounds.
4/ Total apparent production, Agricultural Marketing Service. (Computed from factory consumption, trade and stocks.)
5/ Included in "other vegetable oils."
6/ October-December, 1954.
7/ Not reported after December 1954.
8/ Included in "whale and seal oils."
9/ Production of No. 1 and No. 3 minus production of dehydrated castor oil.
10/ Computed from unrounded numbers.
11/ Marketing year totals include estimated output of farm butter and farm lard, 448 million pounds October 1953-September 1954 and 427 million pounds in October 1954-September 1955.

Compiled from reports of the Bureau of the Census, except as noted. Data include stocks held by the Government in reported positions.

Table 23.- Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil

Item	Imports for consumption				Exports 1/			
	Oct.-Sept.		1955		Oct.-Sept.		1955	
	1953-54	1954-55	Aug.	Sept.	1953-54	1954-55	Aug.	Sept.
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Food fats and oils								
Butter 2/	.9	.7	3/	3/	42.5	185.8	1.9	8.6
Lard	---	---	---	---	397.5	528.0	35.7	30.5
Oleo oil	---	---	---	---	4.1	3.8	.3	.3
Oleo stock	---	---	---	---	11.7	22.1	2.4	1.6
Stearine, animal, edible	---	---	---	---	3.0	1.0	.1	.1
Tallow, edible	---	.1	---	---	22.0	5.6	.6	.3
Total, edible animal fats	.9	.8	3/	3/	480.7	746.3	41.0	41.4
Cottonseed oil 2/	---	---	---	---	397.0	709.0	25.2	50.2
Cottonseed (15.5 percent)	---	---	---	---	4.5	6.6	3/	3/
Olive oil, edible	58.6	57.2	4.3	5.5	---	---	---	---
Peanut oil	1.5	30.6	1.7	2.1	8.7	.6	.1	3/
Peanuts, shelled (43 percent)	---	---	---	---	69.3	---	---	---
Soybean oil	---	---	---	---	71.3	53.6	9.7	2.1
Soybeans (18.3 percent) 4/	.3	3/	---	---	416.5	660.4	38.4	43.7
Stearine, vegetable oil, winter	---	---	---	---	.6	---	---	---
Other vegetable oils 2/	8.1	7.5	1.3	.5	55.4	61.2	1.2	1.2
Total, edible vegetable oils	68.5	95.3	7.3	8.1	1,023.3	1,491.6	74.6	97.2
Soap fats and oils								
Fish and fish liver oils non-medicinal	14.3	16.7	.5	1.1	157.4	126.4	18.2	24.0
Greases	1.6	2.2	.1	3/	175.5	157.2	14.6	10.3
Marine mammal oils	23.2	49.5	3.7	4.0	.1	.4	3/	3/
Foots and soap stock, including olive oil	5.4	2.3	.5	3/	9.7	12.0	.1	1.2
Palm oil	56.3	55.1	3.4	1.9	---	---	---	---
Tallow, inedible	1.1	1.4	.1	---	1,010.3	1,106.2	108.3	94.5
Total, slow-lathering oils	101.9	127.2	8.3	7.0	1,353.1	1,402.2	141.2	130.0
Babassu oil	---	---	---	---	---	---	---	---
Babassu kernels (63 percent)	---	11.0	---	---	---	---	---	---
Coconut oil	145.0	147.3	15.8	8.8	11.0	9.6	.5	.6
Copra (63 percent)	428.0	430.3	31.6	52.9	.1	.5	.1	---
Palm kernel oil	34.1	57.4	2.0	1.5	---	---	---	---
Tucum kernels (43 percent)	---	---	---	---	---	---	---	---
Total, lauric-acid oils	607.1	646.0	49.4	63.2	11.0	10.1	.6	.6
Drying oils								
Flaxseed (35.4 percent)	.4	3/	---	---	122.0	139.5	18.7	12.2
Linseed oil	---	3/	---	---	430.3	211.9	.6	.8
Oiticica oil	10.9	11.9	.8	1.1	---	---	---	---
Tung oil	41.2	25.5	.5	2.8	.3	3.5	.2	.1
Total	52.5	37.4	1.3	3.9	552.5	354.9	19.5	13.1
Other industrial oils and fats								
Cashew nut shell liquid (oil)	10.5	8.5	.3	.9	---	---	---	---
Castor oil	55.9	89.0	3.8	7.7	.9	1.1	3/	.2
Castor beans (45 percent)	50.5	41.0	1.0	2.1	---	---	---	---
Fish-liver oils, medicinal	24.1	21.1	2.0	1.1	.4	.3	3/	3/
Neat's-foot oil and stock	.1	3/	---	---	.4	.6	3/	.1
Rapeseed oil	4.0	6.4	.2	.1	---	---	---	---
Wool grease	7.1	6.8	.7	.7	---	---	---	---
Other vegetable oils and fats, inedible	.2	.4	.2	3/	10.1	9.9	.7	1.6
Total	152.5	173.2	8.2	12.6	11.8	11.9	.7	1.9
Other products (fat content)								
Margarine 5/	.1	.1	3/	3/	2.9	3.2	.3	.3
Shortening	---	3/	---	---	14.5	43.4	.8	1.7
Cooking and salad oils	---	---	---	---	2.6	3.5	6/	6/
Salad products 7/	---	---	---	---	2.0	2.4	.3	.2
Soap	.8	1.0	.1	.1	18.9	14.4	1.3	1.2
Fatty acids	3.3	.3	.1	2/	16.3	16.5	1.4	.8
Total	4.2	1.4	.2	.1	57.3	83.4	4.1	4.2
Grand total 8/	987.6	1,081.2	74.5	94.8	3,489.7	4,100.5	281.7	288.4
Tall oil	---	---	---	---	57.6	57.6	1.2	6.7

1/ Includes re-exports of coconut, palm, and tung oils, olive-oil foots and copra. Does not include shipments. Shipments average about 80 million pounds per year approximately 55 million is lard.
2/ Includes exports from CCC holdings that are not reported by Census. Monthly data on butter and cottonseed oil include these exports but this is so only for the total for "other vegetable oils."
3/ Less than 50,000 pounds.
4/ October 1953-Sept. 1954, 17.5 percent.
5/ Imported margarine goes largely to Puerto Rico and the Virgin Islands.
6/ Included in "Other vegetable oils, edible" beginning January 1955.
7/ Includes mayonnaise and salad dressing.
8/ Computed from unrounded numbers.

Compiled from reports of the Bureau of the Census, and the United States Department of Agriculture.

Table 24.- Index numbers of wholesale prices of fats and oils

Item	1947-49=100				
	October		1955		
	1953	1954	August	September	October
All fats and oils	79	73	67	67	68
All fats and oils, except butter	68	65	57	56	58
Grouped by origin:					
Animal fats	82	78	71	73	74
Vegetable oils, domestic	68	63	59	55	56
Vegetable oils, foreign	90	73	62	64	65
Grouped by use:					
Butter	96	86	82	86	86
Butter, seasonally adjusted	92	83	86	84	82
Lard	88	79	55	56	59
Food fats other than butter	77	71	59	57	58
Food fats other than butter and lard	70	66	61	57	58
All edible fats and oils	87	79	71	73	74
Soap fats	50	55	55	56	58
Drying oils	73	65	59	59	58
Other industrial	56	57	54	55	58
All industrial	57	58	56	56	58
Edible vegetable oils, grouped by degree of processing:					
Crude	70	65	61	57	58
Refined	73	76	71	67	68
End products	80	84	81	80	79

All indexes except "Butter, seasonally adjusted" and "Other industrial" from Bureau of Labor Statistics.

Table 25.- Price received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals

Item	Unit	October		1955		
		1953	1954	August	September	October
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian ports	Long ton	124.00	100.00	115.00	116.00	129.25
Copra, Philippines, c.i.f. Pacific Coast	Short ton	207.50	174.00	147.00	152.50	160.38
Cottonseed, United States average	Short ton	52.40	60.20	50.10	43.70	43.50
Flaxseed, No. 1, Minneapolis	Bushel	3.88	3.39	3.15	3.08	3.10
Flaxseed, United States average	Bushel	3.51	3.05	2.81	2.74	2.78
Peanuts, No. 1, shelled, Spanish, Southeastern shipping points*	100 lb.	18.62	24.88	20.50	18.75	18.62
Peanuts, United States average	100 lb.	10.90	11.60	12.20	11.80	11.80
Soybeans, No. 2, Yellow, Chicago	Bushel	2.62	2.74	---	---	2.24
Soybeans, No. 2, Yellow, Illinois country shipping points	Bushel	2.57	2.69	2.39	2.24	2.22
Soybeans, United States average	Bushel	2.41	2.54	2.20	2.00	2.08
			Oilseed Meals 1/			
Copra meal, Los Angeles 2/	Short ton	68.40	60.95	73.80	70.15	71.40
Cottonseed meal, 41 percent protein, Memphis	Short ton	55.75	69.10	59.90	56.75	55.10
Cottonseed meal, 41 percent protein, Chicago	Short ton	67.90	78.15	70.30	66.30	66.30
Linseed meal, 36 percent protein, Minneapolis	Short ton	63.50	67.00	59.70	62.90	66.10
Linseed meal, 36 percent protein, New York	Short ton	80.50	83.00	80.50	79.60	82.25
Peanut meal, 45 percent protein, f.o.b. Southeastern mills	Short ton	66.10	76.50	62.00	65.00	62.50
Soybean meal, 44 percent protein, Chicago	Short ton	68.55	76.00	65.05	70.70	66.70
Soybean meal, 44 percent protein, bulk, Decatur	Short ton	57.25	65.25	54.30	60.10	56.00

1/ Bagged carlots, except soybean meal at Decatur, which is bulk. 2/ Original quotations adjusted to bagged-carlots basis.

* This price applies to peanuts for edible uses.

Compiled from Oil, Paint, and Drug Reporter, Daily Market Record (Minneapolis), Wall Street Journal, Chicago edition, reports of the Agricultural Marketing Service, and records of Commodity Stabilization Service.

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